

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	WT Docket No. 01-184
Wireless LNP Forbearance	)	

**Reply Comments of ALLTEL Communications, Inc.**

ALLTEL Communications, Inc. (“ACI”) hereby submits its reply comments in the above-captioned proceeding initiated by the Commission in response to Verizon Wireless’ petition seeking partial forbearance from the CMRS number portability obligation currently contained in the Commission’s rules.<sup>1</sup> In support thereof, the following is respectfully set forth.

ACI notes, as did numerous other wireless carriers, that the question before the Commission has been narrowly drawn by the Verizon petition to encompass only the implementation of CMRS local number portability (“CMRS LNP”).<sup>2</sup> Neither Sprint, nor other carriers question the need for CMRS carriers to develop the capability to participate in thousands-block number pooling. Rather, it is the “flash cut” approach

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<sup>1</sup> Verizon Wireless, Petition Pursuant to 47 U.S.C. Sec. 160 for Partial Forbearance from the CMRS Number Portability Obligation, WT Docket No. 01-184, filed August 2, 2001 (the “Verizon Petition”).

<sup>2</sup> See Sprint Reply Comments at page 1; Cingular Comments at page 2; AT&T Comments at page 2.

requiring CMRS carriers to implement both pooling and local number portability on the same November, 2002 date that has caused an entire industry to plead for forbearance of the portability requirement.

Yet, outside of the CMRS industry there remains substantial confusion as to the pooling and porting network requirements, their true priority in the hierarchy of telecommunications mandates, as well as the technology increments required to implement each of the two requirements. The gist of the Verizon petition, largely undigested by those standing in opposition, is that despite some early confusion as to terminology, full local number portability functionality is not a requirement for participation in thousands-block pooling. Rather, as Verizon stressed, and the comments of the various CMRS providers confirm, thousand block pooling capability can be fully implemented without imposing the additional burdens associated with CMRS LNP.<sup>3</sup>

The arguments of those opposed to the Verizon Petition are grounded in two theories, now discredited on the basis of the record: 1) that CMRS LNP is needed to promote competitive telecommunications markets; and 2) that number conservation requires CMRS LNP. As amply demonstrated by the record in this proceeding, the wireless industry is archly competitive. Rates have been dramatically reduced and CMRS carriers experience high rates of subscriber churn in the absence of any porting

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<sup>3</sup> For example the CMRS carriers have stressed that, of the various cumulative functions required for CMRS LNP, the Network upgrade necessary to complete the retrieval of the LRN from the NPDB is the only one required for thousand-block pooling. This change in network architecture, and the split in the MIN/MDN required as a consequence is a daunting task in and of itself, but is vastly less burdensome than implementation of the additional functionalities and system interfaces required for wireless LNP. These additional functionalities include the deployment of the WPR/LSR process and the LSOA system.

requirement.<sup>4</sup> Given the well-documented implementation and recurring costs of wireless portability<sup>5</sup> there is no concomitant public interest benefit conveyed to the market place that either better protects subscribers from harm or unreasonable rates that justifies those costs. As noted in its comments, ACI stresses that these costs are particularly harmful to small and mid-sized carriers, with lower economies of scale than their larger national counterparts. Consequently, implementation of wireless number portability may, in fact, decrease competition by imposing these costs on those carriers least able to bear them.

The opponents of the Verizon Petition also argue that implementation of wireless local number portability would have the effect of promoting competition between wireline and wireless carriers. Number portability, in and of itself, has failed to stimulate rampant competition in the wireline market and may in fact be yet another component contributing the ever-increasing costs of wireline service.<sup>6</sup> The focus on number portability as the exclusive “magic bullet” factor leading to increased competition is quizzical if not unexplained, particularly in the face of real-market data indicating that wireless subscribers desire new and varied services far more than the ability to hold on to their wireless number. Indeed, there are numerous other and more important “structural” impediments to wireless/wireline competition, the elimination of which would go far further than number portability to augment competition between wireline and wireless

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<sup>4</sup> The Vermont PUC characterizes the wireless’ industry churn rate as low. While the basis for that conclusion is unspecified, it is axiomatic that a comparison with nominal churn rates in the wireline industry could not have been part of its calculation. See also Sprint Reply Comments at page 9; Joint Comments of Voicestream and U.S. Cellular at pages 5-9; Comments of AT&T at pages 5-7.

<sup>5</sup> See Sprint Reply Comments at pages 2-4; Cingular Comments at pages 15-16.

<sup>6</sup> See Sprint Reply Comments at page 5.

carriers.<sup>7</sup> As noted by ACI, there does not appear to be any current attempt to rectify the enormous discrepancy between the Service Order Activation timers for wireless and wireline subscribers and no definitive determination as to the time limit for interspecies porting.<sup>8</sup> While wireline subscribers may have to wait up to four days for service order activation, competitive wireless carriers, at 2.5 hours, have come to realize that service is to be provided far more quickly.<sup>9</sup>

If competition is to flourish, wireless carriers must be permitted to deploy their capital where the market tells them it is required -- further build out and additional new services. Indeed, if wireless is ever to be truly competitive with wireline, the Commission should be far more concerned with issues promoting the ubiquity of wireless networks (i.e. streamlining and promoting new site construction) rather than CMRS LNP. In this connection, the history of the CMRS market demonstrates that new market entrants have been hugely successful in attracting subscribers by deploying capital to meet customer desires, not those of state regulators. Sprint, who newly entered the market as a PCS carrier, it should be noted, now advocates forbearance of the portability requirement.

AT&T notes, and ACI agrees that, with respect to number conservation, CMRS carriers' participation in pooling will significantly forestall NAPA exhaust. Yet, those opposing the Verizon Petition continue to strain in order to justify CMRS LNP as a number conservation measure. For example, the Michigan PUC argues that without

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<sup>7</sup> Subsidy mechanisms, local calling scopes and interconnection rates are but a few of these impediments.

<sup>8</sup> See ACI Comments at page 6.

<sup>9</sup> ACI also notes that there has been no acknowledgement of the disruptions to current services such as caller ID, directory listings and E-911 that may be occasioned by delays in interspecies porting.

porting, a disconnected number would be placed in a holding pool for aging prior to reassignment. Porting, it is argued would alleviate the need to place the number in the holding pool. But any benefit under this theory would only accrue if 100% of the carrier's disconnects were in the same rate center, and the subscriber transferred service to another carrier. Inasmuch as subscribers continue to move to new states, or simply terminate service, the numbers of such subscribers would still have to be placed in the holding pool prior to reassignment, hence, the effect on number conservation would, in ACI's experience, be minimal.

ACI urges the Commission to view forbearance of the CMRS LNP requirements within the context of the other and vastly more important regulatory mandates with which carriers, and in particular small and mid-sized carriers, must comply.<sup>10</sup> If network reliability and customer satisfactions are to be maintained, the Commission must acknowledge the risks that CMRS LNP poses to network reliability. The vast increase in porting volume associated with CMRS LNP alone may very well overwhelm the NPAC systems given the status of software development.<sup>11</sup>

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<sup>10</sup> See ACI Comments at page 9. These mandates include E-911 Phase II and CALEA.

<sup>11</sup> ACI Comments at pages 4-6.

In conclusion, the record in this proceeding demonstrates that the costs of CMRS LNP are enormous while the benefits are dubious given the state of competition in the wireless industry. ACI believes that Verizon has met the burden for forbearance, and that its petition should be expeditiously granted.

Respectfully submitted,

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